

9-095A039



March 30, 1989

Itel Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000
(415) 781-1035 Fax

Hon. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

RECORDATION NO. 16268
FILED 1425

APR 5 1989 - 2 10 PM
INTERSTATE COMMERCE COMMISSION

Re: Schedule No. 3 to Lease Agreement dated as of February 1, 1983, as amended, between Itel Railcar Corporation, as assignee of Evans Railcar Leasing Company, and The Southern Railway of British Columbia, Ltd., as assignee of British Columbia Hydro and Power Authority (Lease attached)

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Schedule under a new recordation number.

The parties to the aforementioned instrument are listed below:

Itel Railcar Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

The Southern Railway of British Columbia, Ltd. (Lessee)
5935 Glover Road
Langley, British Columbia V3A 41B5
Canada

This Schedule adds to the Lease Agreement forty-two (42) 52'5", 70-ton, LU boxcars bearing reporting marks BCH 841-882.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Department

APR 5 2 04 PM '89
MOTOR OPERATING UNIT

APR 5 1989 -2 10 PM

INTERSTATE COMMERCE COMMISSION

SCHEDULE 3

THIS SCHEDULE 3 ("Schedule") to that certain Lease Agreement, dated as of February 1, 1983, as amended, ("Lease") between ITEL RAILCAR CORPORATION, assignee of Evans Railcar Leasing Company, ("Lessor") and THE SOUTHERN RAILWAY OF BRITISH COLUMBIA, LTD. as assignee of British Columbia Hydro and Power Authority ("Lessee"), is made this 16th day of March, 1988, between Lessor and Lessee.

Lessor and Lessee agree as follows:

1. Effective as of May 1, 1988, this Schedule supersedes Schedule 1 dated as of February 1, 1983 and Schedule 2 dated as of December 5, 1983 as to the thirty-nine (39) Cars bearing reporting marks from within the Series BCH 800-840 ("Existing Cars").
2. Lessor and Lessee agree to add forty-two (42) cars to this Schedule which shall be remarked to reporting marks BCH 841-882 ("Remarked Car(s)").
3. Except as otherwise provided herein, all terms defined in the Lease shall have the meanings set forth therein when used in this Schedule.
4. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Lease and this Schedule:

AAR Mech.	Design, Description	Reporting Marks and Numbers	Length	Dimensions Inside Width	Height	Door Width	Number of Cars
--------------	---------------------	--------------------------------------	--------	-------------------------------	--------	---------------	----------------------

Existing Cars

LU	4548 cubic feet	BCH	52'5"	9'1"	9'6"	26'2"	39
	70-Ton	800-807					
	All Door	809-835					
	Boxcar	837-840					

Remarked Cars

LU	4548 cubic feet	BCH	52'5"	9'1"	9'6"	26'2"	42
	70-Ton	841-882					
	Side Slider						
	End of Car						
	Cushioning						
	Boxcar						

5. A. The term of the Lease with respect to the Existing Cars described in this Schedule shall commence at 12 noon on May 1, 1988 ("Commencement Date") and shall continue through and including April 30, 1993.

- B. The term of the Lease with respect to each Remarked Car described in this Schedule shall commence at 12 noon on the date such Remarked Car is interchanged to Lessee ("Delivered"). The term shall continue as to all the Remarked Cars through and including April 30, 1993.
- 6. A. The Existing Cars shall be deemed delivered and subject to the terms and provisions of the Lease at 12 noon on the Commencement Date ("Delivery").
- B. With respect to the Remarked Cars, each Remarked Car shall be deemed delivered and subject to the terms and provisions of the Lease at 12 noon on the date such Remarked Car is Delivered ("Delivery"). When a Remarked Car has been remarked it shall be moved to Lessee's railroad line at no initial cost to Lessee as soon as is consistent with mutual convenience and economy.
- 7. Rent
 - A. Notwithstanding anything to the contrary contained in Paragraph 2 or Paragraph 6 of Section 2 of the Lease, Lessee shall pay to Lessor a sum equal to one hundred percent (100%) of the total Actual Car Hire (as defined in Section 13 of the Lease) for the use and handling of the Cars on all railroad lines other than the railroad lines owned and operated by Lessee or its successors. Pursuant to the Agreement dated September 14, 1987 between Lessee and Burlington Northern Railroad Company ("BN"), BN will not pay mileage for Cars bearing BCH reporting marks while on the lines of BN.
 - B. Lessee shall deduct from its Actual Car Hire Payment to Lessor a loading allowance of _____ for each Car loaded by Lessee with a destination off Lessee's lines.
 - C. Subsequent to the execution of this Schedule, any agreement between Lessee and any other party with respect to the Cars ("Third Party Agreement(s)") shall be null and void without Lessor's prior written approval if such Third Party Agreement affects the revenues earned by the Cars.
- 8. Notwithstanding anything to the contrary contained in Section 10 of the Lease, if the Revenues received by Lessor are less than an average of _____ Car per Quarter ("Base Rent"), Lessor may at any time, at its option and upon not less than thirty (30) days' prior written notice to Lessee, terminate the Lease as to such Cars as Lessor shall determine.
- 9. Lessee shall, at all times while the Lease is in effect, at its own expense, carry and maintain insurance in such amounts and for such risks and with such insurance companies as are satisfactory to Lessor. Lessor hereby allows Lessee to be self-insured; provided however, such right to self-insure shall not apply as to any successor or assignee of Lessee.

10. Pursuant to Section 15(b) of the Lease, any notices are to be addressed to:

Lessor: Itel Railcar Corporation
55 Francisco Street
San Francisco, CA 94133
ATTN: President

Lessee: The Southern Railway of British Columbia, Ltd.
5935 Glover Road
Langley, B.C., Canada V3A 41B5
ATTN: President

11. Except as expressly modified by this Schedule all terms and provisions of the Lease shall remain in full force and effect with respect to all Cars subject to the Lease.
12. This Schedule may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAILCAR CORPORATION

THE SOUTHERN RAILWAY OF BRITISH
COLUMBIA, LTD.

By: 

Title: President

Date: March 16, 1989

By: 

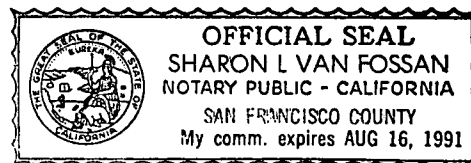
Title: President

Date: 26 October 1988

STATE OF CALIFORNIA)
) ss:
 COUNTY OF SAN FRANCISCO)

On this 11th day of March, 1988⁹, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Railcar Corporation, that the foregoing Schedule 3 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
 Notary Public



PROVINCE OF BRITISH COLUMBIA)
) ss:
COUNTY OF WESTMINSTER)

On this 23rd day of MARCH, 1988⁹, before me personally appeared GERALD I. STEVENS to me personally known, who being by me duly sworn says that such person is PRESIDENT of The Southern Railway of British Columbia, Ltd., that the foregoing Schedule 3 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Allen S. MacCallum
 Notary Public
ALLEN S. MacCALLUM
 BARRISTER & SOLICITOR
 202 - 20558 FRASER HWY.
 LANGLEY, B.C.
 V3A 4G2

My Commission Expires on death

2011-6!

L E A S E

AGREEMENT made and entered into this 1st day of
February, 1983 between

EVANS RAILCAR LEASING COMPANY
an Illinois corporation (hereinafter called "Evans")

and

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
(hereinafter called "Lessee")

RECITALS

Lessee desires to lease from Evans as Lessor certain railroad cars, hereinafter specifically designated or to be specifically designated, all upon the rentals, terms and conditions as set forth in this Lease.

It is agreed:

1. Lease of Cars

Evans agrees to lease to Lessee and Lessee agrees to and hereby leases from Evans that number of railroad cars, of the type, construction and such other description (hereinafter referred to as the "Cars") as is set forth in Schedule 1 which is attached hereto and forms part of this Lease. The Cars covered by this Lease are those which shall be delivered to and accepted by or on behalf of Lessee pursuant to the terms hereof. This Lease shall become effective with respect to any Car as of the date of its delivery and acceptance hereunder. Except as provided herein the term of this Lease shall commence on June 1, 1983 and continue for a period of six (6) consecutive years (herein the "Term"). Evans shall deliver the Cars F.O.T., to the Delivery Point specified in Schedule 1. From and after such delivery, if any action by Lessee either oral or

written causes the Cars to be routed in such a manner as to incur transportation costs, Lessee shall pay all such transportation costs. In the event Lessee does not accept the majority of the Cars by June 1, 1983 then the Term shall commence on the date when the majority of the Cars have been accepted.

2. Rental

Lessee shall pay rental to Evans for the Cars. Except as hereinafter provided the rental payable by Lessee shall be the Actual Car Hire received by the Lessee for the use of the Cars during each consecutive 365 day period (herein "Year") that occurs during the Term. If Lessee receives any Actual Car Hire prior to the commencement of the Term then such amount shall be deemed to have been received in the first month of the Term. If any Actual Car Hire is received after the expiration of the Term it shall be deemed to have been received in the last month of the Term.

At the end of each Year during the Term the Actual Car Hire shall be compared with the Maximum Potential Car Hire. If the Actual Car Hire is greater than 70% of the Maximum Potential Car Hire then the rental for that Year shall be 70% of MPCH.

Although the rental payable by Lessee is calculated on a yearly basis, Lessee shall perform the foregoing calculations for each month and quarter that occurs during the term and shall pay interim rental to Evans based on these calculations.

It is understood that the information which is necessary to perform the monthly, quarterly or yearly rental calculations is customarily unavailable until approximately 90 days following the end of the month, quarter or Year in which the Cars are used. Therefore, it is agreed that each monthly, quarterly or Yearly calculation shall be performed within the 90 day period following the close of the applicable month, quarter or Year in which the Cars are used.

If any Yearly, monthly or quarterly calculation shows that any excess or deficiency is payable by Lessee or Evans, then Evans or Lessee as the case may be, shall within thirty (30) days after such amount is determined pay to the other the adjustment amount.

Notwithstanding the above, the rental payable by Lessee during the first Year shall be 50% of MPCH. The monthly, quarterly and Yearly calculation for the first Year shall be adjusted accordingly.

3. Acceptance of Cars

Within three (3) days after Evans has given Lessee notice that some or all of the Cars are ready for delivery, Lessee may have its authorized representative inspect such Cars at the Evans Maintenance Facility in Sterling, Colorado or Council Bluffs, Iowa, and accept or reject them as being or failing to be in compliance with the terms hereof. Lessee shall not pay any transportation costs for rejected Cars. Cars so inspected and accepted and any Cars which Lessee does not elect to inspect shall be conclusively deemed to meet all requirements of this

Lease and shall be conclusively deemed delivered and accepted by Lessee. When all the Cars are accepted by Lessee, Lessee shall deliver to Evans the Acceptance Certificate set out in Attachment "A" which is attached hereto and forms part of this Lease.

4. Records

Lessee shall keep records of and monitor the use and movements of the Cars and shall provide to Evans all information and copies of all records and reports, pertaining to the Cars received by Lessee or available to it. Evans shall have the right at any time and from time to time to audit and verify any such information, records and reports and other data pertinent hereto and Lessee shall cooperate with and assist Evans in any such audit or verification. Lessee will at Evans' expense take all appropriate action to record and register the Cars as Evans may request. In addition, if Lessee knows of the initial loading of any of the Cars, Lessee shall promptly thereafter notify Evans of the date, handling railroad and destination of such initial loading.

5. Use - Lettering

Lessee shall use the Cars in a careful and prudent manner in compliance with all Interchange Rules and solely for the uses as defined in Schedule 1. From and after the acceptance of a Car by Lessee, so long as Lessee shall not be in default hereunder, Lessee shall be entitled to the use of the Car for the Term but solely within the continental limits of the United States of America and Canada. Except for the lettering to be placed on the Cars by Evans prior to delivery indicating the interest

of Lessee, Evans and any assignee or mortgagee of Evans as permitted in Paragraph 11 hereof, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of Evans. Lessee shall give preference and shall load the Cars prior to loading similar railroad cars leased from other parties or purchased by Lessee subsequent to the date of this Lease or interchanged with other railroads, provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request to shippers on its railroad tracks, and provided further, Lessee shall not have to give priority to the loading of the Cars at the expense of unreasonably disrupting Lessee's normal operations.

6. Repair Work

Except as otherwise provided herein, Evans shall at its sole cost and expense perform all Repair Work or authorize or cause same to be done. Lessee shall at its sole cost and expense perform or cause to be performed all Repair Work required by reason of the negligence of Lessee or an affiliate of Lessee. Evans shall have a duty to promptly perform Repair Work for which it is responsible, but such obligation shall not commence until Evans is informed of the need for such Repair Work. Evans may require Lessee to return Cars to such repair facility as may be designated by Evans, at Evans' expense for preventive maintenance or Repair Work and may withdraw from this Lease any Cars which it in its sole discretion reasonably deems uneconomical for Repair Work of any kind. This Lease shall terminate as to any Car so withdrawn. The Term

shall be extended by the product obtained by dividing the total number of days that any Cars cannot earn Actual Car Hire because of Repair Work which is the responsibility of Evans by the total number of Cars under this Lease.

7. Casualty Cars

Evans shall bear the risk of any Car which is lost, stolen, destroyed or damaged beyond economical repair ("Casualty Car") other than on Lessee's lines. Lessee shall bear the risk of and be responsible for any Car which is lost, stolen, destroyed or damaged beyond economical repair on its lines and shall within thirty (30) days after the occurrence of any such event, pay to Evans the amount provided in the Interchange Rules to be paid for such Casualty Car. This Lease shall terminate as to any Casualty Car on the date on which the casualty occurred. All payments for repair work or in connection with the loss of any Casualty Car due from third parties shall be assigned to and belong to Evans and Lessee shall cooperate with Evans in the prosecution and collection of all claims therefor.

8. Indemnities

Evans agrees to indemnify Lessee and hold it harmless from any loss, expense or liability which Lessee may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession, or operation of the Cars while subject to this Lease, excepting only any such loss, expense or liability which arises from Lessee's negligence or which

arise as a result of the operation of the Cars on Lessee's lines and Lessee shall indemnify Evans for such loss, expense or liability. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

9. Taxes

Evans shall be liable for and pay (i) all United States Federal, State or other governmental property taxes assessed or levied against the Cars, (ii) all United States Federal, State or Local sales or use taxes imposed upon or in connection with the Cars, this Lease, or the manufacture, acquisition, or use of the Cars for or under this Lease. Lessee shall be liable at all times for and shall pay or reimburse Evans for payment of (i) all taxes, duties or imposts assessed or levied on the Cars or this Lease by a government in Canada or any other government except a government in the United States, and (ii) all taxes or governmental charges assessed or levied by a government in Canada or any other government except a government in the United States upon its interest as Lessee of Cars.

10. Termination

The lease shall terminate with respect to any or all the Cars, as the case may be, at the election of either party hereto by reason of the default or breach by the other party of the terms hereof or as expressly provided herein.

In the event that any quarterly calculation except those occurring in the first Year, made in accordance with Paragraph 2 shows that:

- (i) Actual Car hire is less than 70% of MPCH, or
- (ii) that the Actual Car Hire net of taxes payable by Evans averages less than \$17.50 per Car per day,

then Evans may at its option upon giving thirty (30) days notice to Lessee terminate this Lease with respect to any or all of the Cars. Upon any termination Lessee shall return any or all of the Cars to Evans within a reasonable period of time F.O.T., to the Delivery Point in the same condition in which the Cars were furnished and maintained by Evans, ordinary wear and tear excepted. Lessee shall provide free storage for a period of up to ninety (90) days for any Cars affected by any termination of this Lease. Lessee shall pay any transportation costs incurred in returning any of the Cars affected by termination to the Delivery Point if the termination is caused by a default or breach by Lessee or Lessee's failure to meet the requirements of (i) or (ii) above or as required when the Term expires. Evans shall pay any such transportation costs if Evans is in breach or default.

11. Sublease and Assignment

The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

- (a) Lessee shall have no right to assign or sublease or loan the Cars without the prior written consent of Evans.

(b) All rights of Evans under this Lease may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part and Evans agrees to give notice to Lessee within 30 days of such assignment, pledge, mortgage, transfer or other such disposition. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust covering the cars heretofore or hereafter created by Evans. Any assignment by Evans shall not affect Lessee's rights to quiet enjoyment as contained in Paragraph 15(d).

If Evans shall have given written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any other sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

The making of an assignment or sublease by Lessee or an assignment by Evans shall not serve to relieve such party of any liability or undertaking hereunder nor to impose any liability or undertaking hereunder upon any such assignee or sublessee except as otherwise provided herein or unless expressly assumed in writing by such sublessee or assignee.

12. Default

If Lessee or Evans shall fail to make any payment required hereunder within fifteen (15) days after same shall have become due or shall breach any representation or warranty contained herein or shall default or fail for a period of fifteen (15) days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or a proceeding shall have been commenced by or against Lessee or Evans under any bankruptcy laws, Federal or State, or other laws for the appointment of a receiver, assignee or trustee of Lessee or Evans or their property, or Lessee or Evans shall make a general assignment for the benefit of creditors, then Evans or Lessee, as the case may be, may in addition to all other rights and remedies provided in law of equity, upon written notice to such effect, terminate this Lease or with respect to any or all of the Cars and thereafter recover any and all damages sustained by reason of Lessee's or Evans' default. The obligation to pay rental then or thereafter due or any other sum or sums due and unpaid or any damages suffered by reason of Lessee's or Evans' default hereunder shall survive the termination of the Lease and the return of the Cars F.O.T. to the Delivery Point.

13. Definitions

For all purposes of this Lease the following terms shall have have the following meaning:

"REPAIR WORK" all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair in accordance with

and on the effective date of the requirements of all Interchange Rules and preventive maintenance as determined by Evans to keep and maintain the Cars in good working order and repair.

"INTERCHANGE RULES" all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

"MAXIMUM POTENTIAL CAR HIRE or MPCH" as used in this Lease shall mean, for a given period, the number of hours in such period multiplied by the applicable car hire rate for the Cars, plus the actual mileage for the Cars during such period multiplied by the applicable mileage rate, plus any incentive per diem payable with respect to the use of the Cars during such period except that the number of days that any Cars cannot earn Actual Car Hire because of Repair Work which is the responsibility of Evans shall not be included in calculating MPCH.

"ACTUAL CAR HIRE" revenue collected by Lessee as outlined by the Association of American Railroads Code of Car Hire Rules (including but not limited to mileage earnings, straight car hire and incentive car hire) except that car hire payments where the Cars are on Lessee's railroad and reduction for car hire reclaims by railroads or shippers are not included.

14. Representations

Lessee and Evans respectively covenant, warrant and represent that all of the following matters shall be true and correct at all times that any Car is subject to this Lease:

- (a) Each party is a corporation duly organized and validly existing in good standing under the laws of the State or Province of its incorporation and has the corporate power, authority and is duly authorized and qualified to do business wherever it transacts business and such qualification is required, and has corporate power to and has taken all corporate action necessary to enter into this Lease and carry out its obligations hereunder;
- (b) This Lease has been duly executed on behalf of each party and constitutes the legal, valid and binding obligation of the respective parties enforceable in accordance with its term;
- (c) No governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part

of either party in connection with this Lease or any action contemplated on its part hereunder, nor will the execution or performance of this lease violate any law, judgement order or regulation, or any indenture or agreement binding upon either party; and

(d) Evans has title to and owns the Cars.

15. Miscellaneous

- (a) This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representations, successors and assigns to the extent permitted herein.
- (b) Any notice required or permitted to be given by one party to another hereunder shall be properly given when made in writing, deposited in the United States Mail or Canadian Post, registered or certified, postage prepaid addressed to:

EVANS East Tower
 2550 Golf Road
 Rolling Meadows, Illinois 60008
 U. S. A.

LESSEE British Columbia Hydro and Power Authority
 970 Burrard Street
 Vancouver, British Columbia V6Z 1Y3
 CANADA

or such other address as either party may from time to time designate by such notice in writing to the other.

- (c) Lessee shall keep the Cars free from any encumbrances or liens, which may be a cloud upon or otherwise affect Evans' title, which arise out of any suit involving Lessee, or any act, omission or failure of Lessee or Lessee's failure to comply with the provisions of this Lease and shall promptly discharge any such lien, encumbrance or legal process. Lessee shall take all reasonable action requested by Evans to confirm Evans' interest in the Cars as Lessor and that Lessee has no interest in the Cars other than as Lessee hereunder.
- (d) So long as Lessee is not in default under this Lease, Lessee shall be entitled to the peaceful and quiet possession of the Cars.
- (e) During the continuance of this Lease, Evans shall have the right, at its own cost and expense, to inspect the cars at any reasonable time or time wherever the Cars may be. Lessee shall, upon request of Evans, but no more than once every year, furnish

to Evans two (2) copies of an accurate inventory of
all cars in service.

16. This Lease shall be governed by and subject to the laws of
Canada and the Province of British Columbia.

IN WITNESS WHEREOF, Evans and Lessee have duly executed this
Lease as of the day and year first above written.

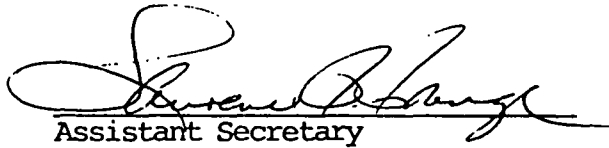
The Common Seal of BRITISH COLUMBIA
HYDRO AND POWER AUTHORITY was hereto
affixed in the presence of:


Chairman PRESIDENT


Associate Secretary

The Corporate Seal of EVANS RAILCAR
LEASING COMPANY was hereto affixed
in the presence of:


Vice President


Assistant Secretary

16340
a
APPROVED

J. P. SHEEHAN
EXECUTIVE VICE-PRESIDENT
ADM. DIVISION

APPROVED

2
SHEEHAN
ADM. DIVISION

Page 1 of Schedule 1 dated February 1, 1983 to Lease dated February 1, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and BRITISH COLUMBIA HYDRO AND POWER AUTHORITY ("Lessee").

LEASE TERM: As provided in Lease dated February 1, 1983.

Page 2 of Schedule 1 dated February 1, 1983 to Lease dated February 1, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and BRITISH COLUMBIA HYDRO AND POWER AUTHORITY ("Lessee").

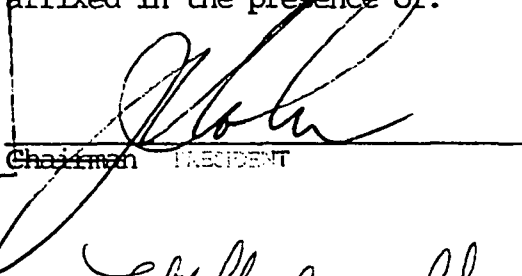
PER DIEM SHARE:

As provided in Lease dated
February 1, 1983.

SPECIAL TERMS:

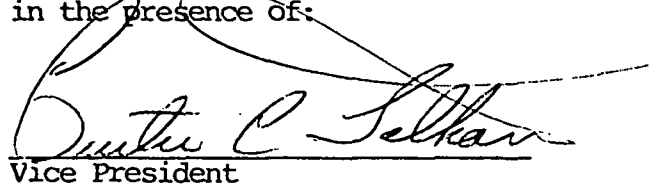
None.

The Common Seal of BRITISH COLUMBIA
HYDRO AND POWER AUTHORITY was hereto
affixed in the presence of:


Chairman


Associate Secretary

The Corporate Seal of EVANS RAILCAR
LEASING COMPANY was hereto affixed
in the presence of:


Vice President


Assistant Secretary

16340
b

APPROVED
I.P.S.

2

Noted

ATTACHMENT "A"

CERTIFICATE OF ACCEPTANCE

Evans Railcar Leasing Company
2550 Golf Road
Rolling Meadows, Il. 60008
U. S. A.

Gentlemen:

The undersigned, being a duly authorized representative of Lessee, hereby accepted Forty (40) Cars bearing numbers as follows:

for the Lessee pursuant to the Lease and certifies that each of said Cars is plainly marked in stencil on both sides of each Car with the words

EVANS RAILCAR LEASING COMPANY

OWNER AND LESSOR

Title to this Car subject to documents

recorded under Section 20c of

Interstate Commerce Act

in readily visible letters not less than one inch (1") in height; and that each of said Cars conforms to, and fully complies with the terms of said Lease and is in condition satisfactory to the Lessee. If the Lessee

is a railroad, Lessee hereby certifies that it is an interstate carrier by rail and that the Cars are intended for actual use and movement in interstate commerce.

Lessee

EVANS' LOT NO.: 2011-02

SCHEDULE 2

Page 1 of Schedule 2 dated December 5, 1983 to Lease dated February 1, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and BRITISH COLUMBIA HYDRO & POWER AUTHORITY ("Lessee").

TYPE AND DESCRIPTION OF CAR:

Used 52'5" 70-ton all door boxcars

NUMBER OF CARS:

1

INTERIOR EQUIPMENT:

None

SPECIAL LININGS:

None

PERMITTED LADING USE:

Non-Corrosive Commodities

REPORTING MARKS AND NUMBERS:

BCH 840

SPECIFICATIONS DESIGNATED BY LESSEE:

None

INITIAL F.O.T. POINT:

Sumas, Washington

EVANS-PD 5/82

Page 2 of Schedule 2 dated December 5, 1983 to Lease dated February 1, 1983 by and between EVANS RAILCAR LEASING COMPANY ("Evans") and BRITISH COLUMBIA HYDRO & POWER AUTHORITY ("Lessee").

LEASE TERM: See attached Addendum 1

EVANS' PERCENTAGE OF
CAR HIRE RECEIVED: See attached Addendum 1

SPECIAL TERMS: See attached Addendum 1

(CORPORATE SEAL)

ATTEST:

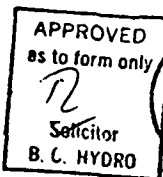
BRITISH COLUMBIA HYDRO & POWER
AUTHORITY

By: *Don Stephenson*

Secretary

By: *[Signature]*

President



(CORPORATE SEAL)

ATTEST:

EVANS RAILCAR LEASING COMPANY

By: *[Signature]*

Asst. Secretary

By: *[Signature]*

Curtis C. Tatham

Senior Vice President Marketing

ADDENDUM 1 DATED DECEMBER 5, 1983 TO SCHEDULE 2 DATED DECEMBER 5, 1983

1. Lease of Cars - Lease Paragraph 1. Notwithstanding anything to the contrary contained in paragraph 1, the term of Schedule 2 shall continue for a period of six (6) years commencing upon receipt of the Car by Lessee.
2. Rental - Lease Paragraph 2. Notwithstanding anything to the contrary contained in paragraph 2, the rental payable by Lessee during the entire term of this Schedule with respect to the Car set forth in this Schedule 2 shall be seventy percent (70%) of Maximum Potential Car Hire as defined in Lease Paragraph 13.
3. Termination - Lease Paragraph 10. Notwithstanding anything to the contrary contained in paragraph 10, with respect to the Car set forth in this Schedule 2, subsection (ii) shall read as follows: "(ii) that the Actual Car Hire net of taxes payable by Evans averages less than \$16.60 per Car per day".

EVANS RAILCAR LEASING COMPANY

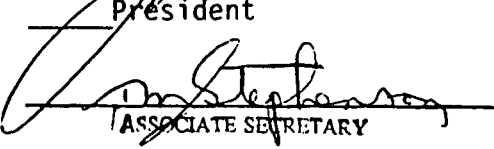
By: 

Curtis C. Tatham
Senior Vice President Marketing

BRITISH COLUMBIA HYDRO & POWER
AUTHORITY

By: 

President


ASSOCIATE SECRETARY